

# Permitting Services

## MISSION STATEMENT

The mission of the Department of Permitting Services is to provide the highest quality of public service while ensuring compliance with Montgomery County's development and construction standards.

## BUDGET OVERVIEW

The total recommended FY07 Operating Budget for the Department of Permitting Services is \$25,924,360, an increase of \$3,215,120 or 14.2 percent from the FY06 Approved Budget of \$22,709,240. Personnel Costs comprise 82.3 percent of the budget for 213 full-time positions and one part-time position for 215.5 workyears. Operating Expenses and Capital Outlay account for the remaining 17.7 percent of the FY07 budget.

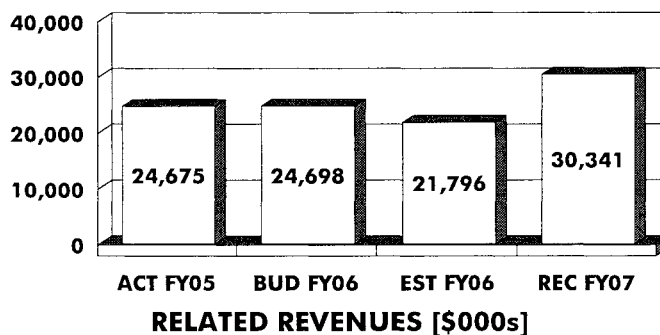
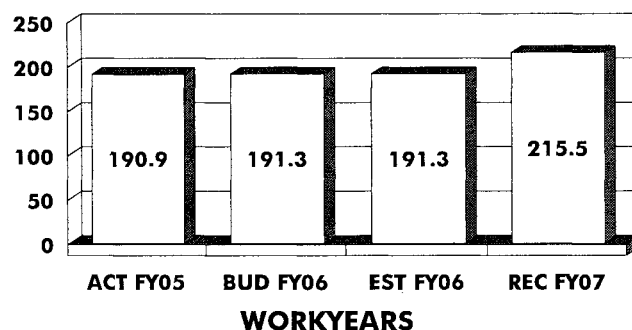
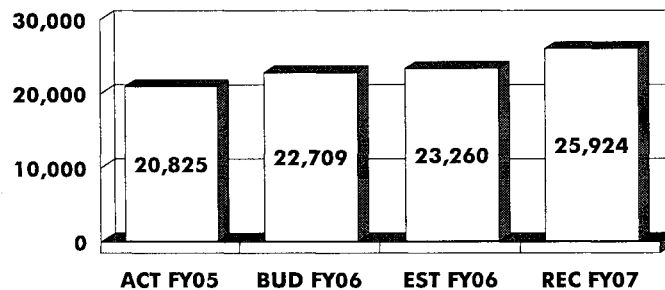
## HIGHLIGHTS

- ❖ *Enhance enforcement of site plan zone building height, setback, floor area ratio, and lot coverage requirements through review of building plans at time of building permit application.*
- ❖ *Enhance enforcement of site plan zone requirements through regular inspections during active construction and at critical junctures in the construction process.*
- ❖ *Enhance enforcement of Moderately Priced Dwelling Unit site plan zone requirements regarding unit location, staging, and amenities.*
- ❖ *Enhance complaint investigation of all issues related to possible non-compliance with approved site plan zone requirements.*
- ❖ *Add new Use and Occupancy permit requirements for single-family homes, enhancing safety and building code compliance.*
- ❖ *Enhance electrical plan review capabilities to reduce backlog and maintain review quality standards.*
- ❖ *Add Clarksburg Ombudsman position to facilitate government coordination of development activities in Clarksburg and ensure timely resolution of citizen concerns.*
- ❖ *Increase department capabilities to investigate and resolve citizen complaints regarding building plans, permits and licenses.*
- ❖ *Continue major department upgrade of the automated permitting system through network switch and server replacement.*

## Program Summary

	Expenditures	WYs
Land Development	6,859,580	59.5
Casework Management	7,196,040	77.6
Building Construction	7,244,840	65.6
Administration	4,623,900	12.8
<b>Totals</b>	<b>25,924,360</b>	<b>215.5</b>

## Trends



- ❖ **Adjust fees to cover program costs and maintain an adequate fund balance. Specific proposals include:**
  - Increase fees by 6.7%.
  - Realign fees with costs as appropriate.
  - Institute new fees for new Use and Occupancy certification for single-family homes and site plan enforcement activities.

❖ **Productivity Enhancements**

- Renegotiated information technology maintenance contracts to reduce costs.
- Developed and implemented new technology application to manage customers and workflow, resulting in improved employee efficiency and information technology maintenance cost savings.
- Developed and implemented a new document management application, resulting in increased capabilities and reduced maintenance costs.

## PROGRAM CONTACTS

Contact Maggie Orsini of the Department of Permitting Services at 240.777.6356 or Mary Cichello Beck of the Office of Management and Budget at 240.777.2753 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Land Development

The Land Development program is responsible for ensuring the protection of the County's water resources and the safety of residents through its engineering and inspection functions related to stormwater management, sediment control, floodplain management, well-and-septic systems approval, stormdrain design, and work in the public right-of-way.

#### FY07 Recommended Changes

	Expenditures	WYs
<b>FY06 Approved</b>	<b>6,587,450</b>	<b>59.5</b>
<b>FY07 CE Recommended</b>	<b>6,859,580</b>	<b>59.5</b>

### Casework Management

The Casework Management program is responsible for educating the development community about the permitting process, assisting applicants with the intake and issuance of permits, keeping applicants informed of the status of their permits, and resolving issues that impede permitting efficiency. The program is also charged with enforcement of the County's Zoning Ordinance by reviewing building applications for zoning compliance and investigating zoning complaints.

#### FY07 Recommended Changes

- ❑ Enhance enforcement of site plan zone building height, setback, floor area ratio, and lot coverage requirements through review of building plans at time of building permit application.
- ❑ Enhance enforcement of site plan zone requirements through regular inspections during active construction and at critical junctures in the construction process.
- ❑ Enhance enforcement of Moderately Priced Dwelling Unit site plan zone requirements regarding unit location,

staging, and amenities.

- ❑ Add complaint investigation of all issues related to possible non-compliance with approved site plan zone requirements.
- ❑ Add Clarksburg Ombudsman position to facilitate government coordination of development activities in Clarksburg and ensure timely resolution of citizen concerns.

	Expenditures	WYs
<b>FY06 Approved</b>	<b>5,306,510</b>	<b>58.2</b>
<b>FY07 CE Recommended</b>	<b>7,196,040</b>	<b>77.6</b>

## Building Construction

The mission of the Division of Building Construction is to ensure public safety through effective enforcement of construction codes and standards. The Building Construction program is responsible for engineering plan review and construction inspection related to the administration and enforcement of building, structural, electrical, mechanical, fire-safety, energy conservation, and accessibility codes and standards. This program also provides public service in the form of educational seminars and preliminary construction-design consultations and participates in the development of national, State, and local building codes and standards. The program is also responsible for conducting damage assessments during natural and other disasters and incidents and provides assistance in disaster recovery efforts.

#### FY07 Recommended Changes

- ❑ Add new Use and Occupancy permit requirements for single-family homes, enhancing safety and building code compliance.
- ❑ Increase department capabilities to investigate and resolve citizen complaints regarding building plans, permits and licenses.
- ❑ Enhance electrical plan review capabilities to maintain review quality standards in the face of an increasing workload.

	Expenditures	WYs
<b>FY06 Approved</b>	<b>6,408,830</b>	<b>60.8</b>
<b>FY07 CE Recommended</b>	<b>7,244,840</b>	<b>65.6</b>

## Administration

The Administration program provides policy development and leadership for all programs within the department. Staff specialists are responsible for a full range of administrative, financial, and budgetary tasks, including daily operations, automation, human resources management, management services, community outreach, and customer service.

#### FY07 Recommended Changes

- ❑ Continue major department upgrade of the automated permitting system through network switch and server replacement.
- ❑ Reduce information technology system maintenance costs through productivity improvements.
- ❑ Fund equipment required by labor agreement.

	Expenditures	WYs
<b>FY06 Approved</b>	<b>4,406,450</b>	<b>12.8</b>
<b>FY07 CE Recommended</b>	<b>4,623,900</b>	<b>12.8</b>

## BUDGET SUMMARY

	Actual FY05	Budget FY06	Estimated FY06	Recommended FY07	% Chg Bud/Rec
<b>PERMITTING SERVICES</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	13,251,222	13,611,210	14,116,510	15,647,000	15.0%
Employee Benefits	4,410,292	4,948,260	4,799,370	5,694,580	15.1%
<b>Permitting Services Personnel Costs</b>	<b>17,661,514</b>	<b>18,559,470</b>	<b>18,915,880</b>	<b>21,341,580</b>	<b>15.0%</b>
Operating Expenses	3,119,374	3,884,370	4,009,580	4,468,480	15.0%
Capital Outlay	44,491	265,400	334,400	114,300	-56.9%
<b>Permitting Services Expenditures</b>	<b>20,825,379</b>	<b>22,709,240</b>	<b>23,259,860</b>	<b>25,924,360</b>	<b>14.2%</b>
<b>PERSONNEL</b>					
Full-Time	190	191	191	213	11.5%
Part-Time	1	1	1	1	—
Workyears	190.9	191.3	191.3	215.5	12.7%
<b>REVENUES</b>					
Building Permits	11,212,923	11,152,290	8,210,710	12,002,420	7.6%
Commercial Use & Occupancy Permits	265,504	230,640	170,270	284,200	23.2%
Single Family Use & Occupancy Permits	0	0	0	370,000	—
Electrical Contractors Licenses	171,228	139,570	126,560	183,280	31.3%
Electrical Individual Licenses	242,330	194,180	199,720	259,390	33.6%
Electrical Permits	1,958,076	2,095,300	2,050,720	2,095,940	0.0%
Fire Code Enforcement Fees	470,647	477,610	375,150	503,790	5.5%
Residential Fire Sprinkler Systems	192,640	256,200	233,480	206,200	-19.5%
Mechanical Inspection Fees	827,633	606,200	674,970	885,910	46.1%
Grading/SD/Paving/Driveway Permits	2,862,033	2,818,330	3,181,200	3,063,550	8.7%
Sediment Control Permits	2,095,917	2,348,380	2,346,370	2,243,490	-4.5%
Stormwater Management Concept Fees	277,749	280,780	284,360	297,310	5.9%
Flood Plain Permits	18,079	23,240	12,200	19,350	-16.7%
Flood Plain Verification and Study Fees	32,127	22,110	26,950	34,390	55.5%
Preliminary Water Quality Review	34,399	22,200	14,810	36,820	65.9%
Final Water Quality Fee	51,475	76,130	12,210	55,100	-27.6%
Well and Septic	615,705	374,100	458,650	659,060	76.2%
Scavenger (W&S)	7,015	7,980	4,270	7,510	-5.9%
Site Plan Enforcement Surcharge	0	0	247,780	1,833,830	—
Vendor Operations & Licensing Fee	36,308	35,870	25,320	38,860	8.3%
Sign Permits	108,872	201,650	122,250	116,540	-42.2%
Benefit Performances	2,806	3,280	3,140	3,000	-8.5%
Overtime Offset Fee	443,432	458,060	415,880	474,650	3.6%
Special Exception Fee	87,205	101,650	101,650	93,350	-8.2%
Miscellaneous Licenses & Permits	12,346	0	0	0	—
Fee realignment Increases	0	0	0	1,500,000	—
Information Requests	57,333	48,960	63,810	61,370	25.3%
Automation Surcharge	2,175,751	2,185,450	1,882,810	2,328,940	6.6%
Civil Penalties/Fines	122,710	157,600	93,350	131,350	-16.7%
Investment Income	278,176	380,000	461,600	551,000	45.0%
Miscellaneous	14,204	0	-4,330	0	—
<b>Permitting Services Revenues</b>	<b>24,674,623</b>	<b>24,697,760</b>	<b>21,795,860</b>	<b>30,340,600</b>	<b>22.8%</b>

## FY07 RECOMMENDED CHANGES

	Expenditures	WYs
<b>PERMITTING SERVICES</b>		
<b>FY06 ORIGINAL APPROPRIATION</b>	<b>22,709,240</b>	<b>191.3</b>
<b><u>Changes (with service impacts)</u></b>		
Add: Site plan enforcement plan review, inspection and complaint investigation responsibilities consistent with draft Memorandum of Understanding with M-NCPPC [Casework Management]	1,531,090	17.0
Add: Use and Occupancy permit requirement for single family homes [Building Construction]	372,910	4.0
Add: Clarksburg Ombudsman position to facilitate government coordination of development activities in Clarksburg and ensure timely resolution of citizen concerns [Casework Management]	130,000	1.0
Enhance: Department capabilities to investigate and resolve citizen complaints regarding any building plan, permit or license [Building Construction]	77,340	0.8
Enhance: Electrical plan review capabilities to maintain safety standards with an increased workload [Building Construction]	68,090	0.8
<b><u>Other Adjustments (with no service impacts)</u></b>		
Increase Cost: FY07 Compensation	846,130	0.0
Increase Cost: Group Insurance Adjustment	230,400	0.0
Increase Cost: Retirement Adjustment	204,090	0.0
Increase Cost: Replace permitting system network switch and database servers (includes \$72,940 in master lease payments) [Administration]	162,940	0.0
Increase Cost: Proficiency Advancements	159,730	0.0
Increase Cost: Other Negotiated Labor Agreement Requirements [Administration]	140,000	0.0
Increase Cost: Office Rent Increase [Administration]	104,330	0.0
Increase Cost: Motor Pool Rate Adjustment	73,310	0.0
Increase Cost: Annualization of FY06 Lapsed Positions	19,020	0.6
Increase Cost: Courier and Delivery Service [Administration]	11,500	0.0
Increase Cost: Annualization of FY06 Operating Expenses	830	0.0
Increase Cost: Occupational Medical Adjustment	150	0.0
Decrease Cost: Information technology maintenance costs due to productivity improvements [Administration]	-150,370	0.0
Decrease Cost: Annualization of FY06 Personnel Costs	-371,350	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY06	-395,020	0.0
<b>FY07 RECOMMENDED:</b>	<b>25,924,360</b>	<b>215.5</b>

## FUTURE FISCAL IMPACTS

Title	CE REC. FY07	FY08	FY09	(\$000's) FY10	FY11	FY12
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>PERMITTING SERVICES</b>						
<b>Expenditures</b>						
<b>FY07 Recommended</b>	<b>25,924</b>	<b>25,924</b>	<b>25,924</b>	<b>25,924</b>	<b>25,924</b>	<b>25,924</b>
No inflation or compensation change is included in outyear projections.						
<b>Annualization of Positions Recommended in FY07</b>	<b>0</b>	<b>-36</b>	<b>-36</b>	<b>-36</b>	<b>-36</b>	<b>-36</b>
Positions added for site plan enforcement and single family use and occupancy tasks are not lapsed. Other new positions in the FY07 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears. Figures also reflect the elimination of the Clarksburg Ombudsman's position in January 2008 when the position will no longer be needed.						
<b>Elimination of One-Time Items Recommended in FY07</b>	<b>0</b>	<b>-513</b>	<b>-513</b>	<b>-513</b>	<b>-513</b>	<b>-513</b>
Items recommended for one-time funding in FY07, including one-time costs associated with replacing a network switch and server, other labor agreement requirements, and vehicles, phones, computers, furniture, and short-term rental vehicles for new use and occupancy, complaint investigation, and electrical plan review positions, will be eliminated from the base in the outyears.						
<b>Labor Contracts</b>	<b>0</b>	<b>325</b>	<b>325</b>	<b>325</b>	<b>325</b>	<b>325</b>
These figures represent the annualization of FY07 increments, general wage adjustments, and associated benefits.						
<b>Information technology replacement plan</b>	<b>0</b>	<b>210</b>	<b>-90</b>	<b>-30</b>	<b>210</b>	<b>405</b>
Key components of Permitting Service's information technology replacement plan include three-year financing of the network switch and servers beginning in FY07, an FY08 upgrade in the Hansen permitting system, replacement of printers (FY10), servers (FY11), and database servers and a network switch (FY12) and routine Desktop Computer Modernization (DCM) replacements. Future costs for post-warranty maintenance and master lease payments are provided in separate listings.						
<b>Master lease payments for financed hardware</b>	<b>0</b>	<b>73</b>	<b>73</b>	<b>0</b>	<b>-73</b>	<b>-73</b>
Master lease payments related to financing the purchase of a network switch and database servers will be due from FY07-FY11.						

Title	CE REC.	(\$000's)				
	FY07	FY08	FY09	FY10	FY11	FY12
<b>Office Rent Increases</b>	<b>0</b>	<b>46</b>	<b>93</b>	<b>141</b>	<b>192</b>	<b>241</b>
Represents cost increases under the current office space rental contract as provided by the Department of Public Works and Transportation. This estimate does not include cost increases for additional space for new positions since there is not currently a contract for this additional space.						
<b>Post-warranty hardware maintenance costs</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>40</b>	<b>15</b>	<b>15</b>
After the warranties expire for printers, servers, and the network switch replaced in FY06 and FY07, additional maintenance costs will be incurred until they are replaced.						
<b>Proficiency Advancements</b>	<b>0</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>
Estimated payments for proficiency advancements based on FY07 budget.						
<b>Subtotal Expenditures</b>	<b>25,924</b>	<b>26,189</b>	<b>25,976</b>	<b>26,012</b>	<b>26,204</b>	<b>26,449</b>

FY07-12 PUBLIC SERVICES PROGRAM: FISCAL PLAN				PERMITTING SERVICES			
FISCAL PROJECTIONS	FY06 ESTIMATE	FY07 REC	FY08 PROJECTION	FY09 PROJECTION	FY10 PROJECTION	FY11 PROJECTION	FY12 PROJECTION
<b>ASSUMPTIONS</b>							
Indirect Cost Rate	12.60%	12.76%	12.76%	12.76%	12.76%	12.76%	12.76%
CPI (Fiscal Year)	3.7%	2.6%	2.6%	2.7%	2.7%	2.7%	2.7%
Investment Income Yield	4.2%	4.6%	4.7%	4.7%	4.8%	4.9%	4.9%
<b>BEGINNING CASH BALANCE</b>	<b>5,877,400</b>	<b>2,914,450</b>	<b>5,452,740</b>	<b>6,825,740</b>	<b>7,419,070</b>	<b>7,239,370</b>	<b>6,693,870</b>
<b>REVENUES</b>							
Licenses & Permits	19,298,620	27,267,940	27,540,610	27,816,020	28,372,310	29,507,180	30,982,550
Charges For Services	1,946,620	2,390,310	2,414,210	2,438,350	2,487,120	2,586,600	2,715,930
Fines & Forfeitures	93,350	131,350	132,660	133,990	136,670	142,140	149,250
Miscellaneous	457,270	551,000	617,100	630,500	651,200	665,500	680,200
<b>Subtotal Revenues</b>	<b>21,795,860</b>	<b>30,340,600</b>	<b>30,704,580</b>	<b>31,018,860</b>	<b>31,647,300</b>	<b>32,901,420</b>	<b>34,527,930</b>
<b>INTERFUND TRANSFERS (Net Non-CIP)</b>	<b>(1,498,950)</b>	<b>(1,748,040)</b>	<b>(2,044,750)</b>	<b>(2,178,620)</b>	<b>(2,318,790)</b>	<b>(2,465,550)</b>	<b>(2,619,210)</b>
Transfers To The General Fund	(2,598,240)	(2,853,030)	(3,149,740)	(3,283,610)	(3,423,780)	(3,570,540)	(3,724,200)
Transfers From The General Fund	1,099,290	1,104,990	1,104,990	1,104,990	1,104,990	1,104,990	1,104,990
<b>TOTAL RESOURCES</b>	<b>26,174,310</b>	<b>31,507,010</b>	<b>34,112,570</b>	<b>35,665,980</b>	<b>36,747,580</b>	<b>37,675,240</b>	<b>38,602,590</b>
<b>PSP OPER. BUDGET APPROP/ EXP'S.</b>							
Operating Budget	(23,259,860)	(25,924,360)	(27,347,730)	(28,520,710)	(29,746,350)	(31,027,050)	(32,365,330)
Annualizations and One-Time	0	n/a	389,340	389,340	389,340	389,340	389,340
Contract Costs - Rent/IT Maintenance	0	0	(45,500)	(132,600)	(181,200)	(206,600)	(256,400)
IT Replacement Plan Costs (inc. financing costs)	0	0	(282,940)	17,060	30,000	(137,060)	(332,060)
<b>Subtotal PSP Oper Budget Approp / Exp's</b>	<b>(23,259,860)</b>	<b>(25,924,360)</b>	<b>(27,286,830)</b>	<b>(28,246,910)</b>	<b>(29,508,210)</b>	<b>(30,981,370)</b>	<b>(32,564,450)</b>
<b>OTHER CLAIMS ON FUND BALANCE</b>	<b>0</b>	<b>(129,910)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL USE OF RESOURCES</b>	<b>(23,259,860)</b>	<b>(26,054,270)</b>	<b>(27,286,830)</b>	<b>(28,246,910)</b>	<b>(29,508,210)</b>	<b>(30,981,370)</b>	<b>(32,564,450)</b>
<b>YEAR END CASH BALANCE</b>	<b>2,914,450</b>	<b>5,452,740</b>	<b>6,825,740</b>	<b>7,419,070</b>	<b>7,239,370</b>	<b>6,693,870</b>	<b>6,038,140</b>
<b>END-OF-YEAR RESERVES AS A</b>							
<b>PERCENT OF RESOURCES</b>	<b>11.1%</b>	<b>17.3%</b>	<b>20.0%</b>	<b>20.8%</b>	<b>19.7%</b>	<b>17.8%</b>	<b>15.6%</b>

#### Assumptions:

- These projections are based on the Executive's Recommended Budget and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage, inflation, future labor agreements, and other factors not assumed here.
- Major initiatives in this budget include: the assumption of many site plan enforcement activities as articulated in a proposed Memorandum of Understanding with M-NCPPC, the initiation of Use and Occupancy permit requirements for single-family homes, coordination of Clarksburg improvements through an Ombudsman position, database server and network switch replacement, and other labor agreement requirements. FY07 costs also reflect information technology maintenance costs savings which were used to help finance complaint investigation and electrical plan review enhancements.
- The labor contract with the Municipal and County Government Employees Organization, Local 1994 expires at the end of FY07.
- Key components of Permitting Service's information technology replacement plan include three-year financing of the database server and network switch in FY07, FY08 permitting system software upgrades, replacement of printers (FY10), servers (FY11) and database servers and a network switch replacement (FY12), and routine DCM replacements. Financing costs will be \$72,940 in FY07 and FY10 and \$145,880 in FY08 and FY09.
- The current policy of increasing fees based on labor cost increases (6.7%), a base revenue factor reflecting average revenues over a six year period, and a 3% growth factor in underlying activity have been assumed. New revenues have been assumed for single-family use and occupancy permits and surcharges on fees for projects in site plan zones. An additional \$1.5 million in increased fees are also expected to be realized from the department's efforts to restructure fees to better recover costs.
- The year-end cash balance is targeted to ensure protection against possible cyclical softening of the construction market and related permit fee revenues.

#### Major Issues:

- The Fund faces uncertainty related to final resolution of site plan enforcement responsibilities, pending grading and drainage legislative proposals, M-NCPPC operational changes, and the response of the private construction industry to these and other market factors.

#### Notes:

- FY05 actual fund balance does not include \$7,819,529 in escrowed performance bonds.